

**INDEPENDENT AUDITORS' REPORT**

**TO THE BOARD OF DIRECTORS  
FIRSTSOURCE SOLUTIONS LIMITED**

**Report on the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Firstsource Health Plans and Healthcare Services, LLC** (the 'Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements'). The Special Purpose Financial Statements have been prepared by the Management of the Company to assist Firstsource Solutions Limited, the holding company to comply with the requirements of Section 129(3) of the Companies Act, 2013 (the 'Act').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, of its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

**Management's Responsibility for the Special Purpose Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate

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accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

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evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

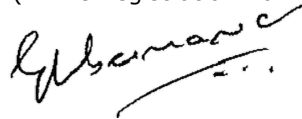
## **Basis of preparation**

We draw attention to Note 1 to the Special Purpose Financial Statements, which describes the basis of preparation of the Special Purpose Financial Statements. Our opinion is not modified in respect of this matter.

## **Restriction on Distribution and Use**

Our report is intended solely for the information and use of the Board of Directors of Firstsource Solutions Limited for compliance with the requirements of Section 129(3) as aforesaid and is not intended to be and should not be used by anyone other than the specified parties.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)



**G. K. SUBRAMANIAM**  
Partner  
(Membership No. 109839)  
(UDIN: 22109839ALYWNH6112)

Mumbai  
30 June 2022

**Firstsource Health Plans and Healthcare Services, LLC**

Special Purpose Financial statements  
together with the Independent Auditor's Report  
as at and for the year ended 31 March 2022



# **Firstsource Health Plans and Healthcare Services, LLC**

## **Special Purpose Financial statements together with the Independent Auditor's Report** *as at and for the year ended 31 March 2022*

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# Firstsource Health Plans and Healthcare Services, LLC

## Balance sheet

as at 31 March 2022

(Currency: In US Dollar)

	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,523,897	1,503,199
Right-of-use assets	5	14,826,062	5,279,106
Other intangible assets	4	303,769	635,222
<b>Financial assets</b>			
Other financial assets	6(i)	270,988	315,176
Other non-current assets	7(i)	870,366	818,929
<b>Total non-current assets</b>		<b>18,795,082</b>	<b>8,551,632</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8		
Billed		15,019,357	11,279,613
Unbilled		4,228,481	1,776,898
Cash and cash equivalents	9	83,465	3,861
Other financial assets	6(ii)	18,286,472	9,616,362
Other current assets	7(ii)	3,314,122	1,388,387
<b>Total current assets</b>		<b>40,931,897</b>	<b>24,065,121</b>
<b>Total assets</b>		<b>59,726,979</b>	<b>32,616,753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	-	-
Other equity	11	7,691,322	3,699,021
<b>Total equity</b>		<b>7,691,322</b>	<b>3,699,021</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		13,774,257	4,345,869
<b>Total non-current liabilities</b>		<b>13,774,257</b>	<b>4,345,869</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	12	4,779,806	1,534,418
Lease liabilities		2,310,464	1,111,367
Other financial liabilities	13	26,472,192	20,663,151
Provisions for employee benefits	14	765,125	918,711
Other current liabilities	15	3,933,813	344,216
<b>Total current liabilities</b>		<b>38,261,400</b>	<b>24,571,863</b>
<b>Total equity and liabilities</b>		<b>59,726,979</b>	<b>32,616,753</b>

### Significant accounting policies

The accompanying notes from 1 to 25 are an integral part of these special purpose financial statements.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

G.K. Subramaniam  
Partner  
Membership No: 109839  
30 June 2022  
Mumbai

For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra  
Director

Venkatgiri Vandali

Venkatgiri Vandali  
Director

# Firstsource Health Plans and Healthcare Services, LLC

## Statement of profit and loss

for the year ended 31 March 2022

(Currency: In US Dollar)

		Year ended	
	Note	31 March 2022	31 March 2021
<b>INCOME</b>			
Revenue from operations	16	112,557,900	77,458,889
Other income, net	17	(6,404)	(1,103)
<b>Total income</b>		<b>112,551,496</b>	<b>77,457,786</b>
<b>EXPENSES</b>			
Services rendered by business associates and others		18,267,334	12,912,868
Employee benefits expenses	18	73,755,193	51,767,292
Finance costs	19	598,538	257,298
Depreciation and amortisation expense	3,4,5	3,673,100	2,807,412
Other expenses	20	12,265,030	7,080,603
<b>Total expenses</b>		<b>108,559,195</b>	<b>74,825,473</b>
<b>Profit / (Loss) before tax</b>		<b>3,992,301</b>	<b>2,632,313</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) for the year</b>		<b>3,992,301</b>	<b>2,632,313</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income/ (loss) for the year</b>		<b>3,992,301</b>	<b>2,632,313</b>
<b>Significant accounting policies</b>	2		

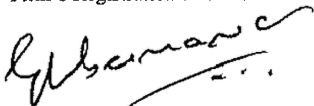
The accompanying notes from 1 to 25 are an integral part of these special purpose financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

  
G.K. Subramaniam

Partner

Membership No: 109839

30 June 2022

Mumbai

For and on behalf of the Board of Directors



Arjun Mitra  
Director



Venkatgiri Vandali  
Director

**Firstsource Health Plans and Healthcare Services, LLC**  
**Statement of changes in equity**  
*as at and for the year ended 31 March 2022*  
 (Currency: In US Dollar)

**Statement of changes in Equity**

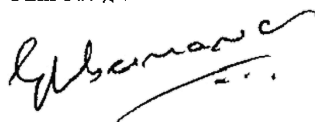
	Attributable to owners of the Company		Total
	Equity Share Capital	Reserve and surplus Retained earnings	
Balance as at 1 April 2021	-	3,699,021	3,699,021
Profit for the year	-	3,992,301	3,992,301
<b>Balance as at 31 March 2022</b>	-	<b>7,691,322</b>	<b>7,691,322</b>

**Statement of changes in Equity**

	Attributable to owners of the Company		Total
	Equity share capital	Reserve and surplus Retained earnings	
Balance as at 1 April 2020	-	1,066,708	1,066,708
Profit for the year	-	2,632,313	2,632,313
<b>Balance as at 31 March 2021</b>	-	<b>3,699,021</b>	<b>3,699,021</b>

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**  
 Chartered Accountants  
 Firm's Registration No: 117366W/W-100018



**G.K. Subramaniam**  
 Partner  
 Membership No: 109839  
 30 June 2022  
 Mumbai

For and on behalf of the Board of Directors



**Arjun Mitra**  
 Director



**Venkatgiri Vandali**  
 Director

**Firstsource Health Plans and Healthcare Services, LLC**  
**Statement of cash flows**  
*for the year ended 31 March 2022*  
(Currency: In US Dollar)

	31 March 2022	31 March 2021
<b><u>Cash flow from operating activities</u></b>		
Profit before tax	3,992,301	2,632,313
Adjustments for		
Depreciation and amortisation	3,673,100	2,807,412
Allowance for expected credit loss debts / bad written off, net	124,596	-
Loss on sale of fixed assets, net	362	1,916
Finance costs	598,538	257,298
Operating cash flow before changes in working capital	8,388,897	5,698,939
Changes in working capital		
(Increase) in trade receivables	(6,315,922)	(3,526,949)
(Increase) / Decrease in loans and advances and other assets	(10,486,426)	648,493
Increase in liabilities and provisions	12,502,838	833,041
Net changes in working capital	(4,299,510)	(2,045,415)
Income taxes paid	-	-
Net cash generated from operating activities (A)	4,089,387	3,653,525
<b><u>Cash flow from investing activities</u></b>		
Purchase of property plant and equipment and intangible assets	(2,081,741)	(1,282,479)
Proceeds from Sale of fixed assets	2,373	-
Net cash used in investing activities (B)	(2,079,368)	(1,282,479)
<b><u>Cash flow from financing activities</u></b>		
Repayment of lease liabilities	(1,331,877)	(2,127,526)
Interest paid	(598,538)	(257,298)
Net cash used in financing activities (C)	(1,930,415)	(2,384,824)
Net increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	79,604	(13,778)
Cash and cash equivalents at the beginning of the year	3,861	17,639
Cash and cash equivalents at the end of the year	83,465	3,861

**Notes to the cash flow statement**

Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	31 March 2022	31 March 2021
Balances with banks	-	-
- in current accounts	83,465	3,861
Cash and cash equivalents	83,465	3,861

As per our report of even date attached.  
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

**For and on behalf of the Board of Directors**

G.K. Subramaniam  
Partner  
Membership No: 109839

Mumbai  
30 June 2022

Arjun Mitra  
Director

Venkatgiri Vandali  
Director

## **Firstsource Health Plans and Healthcare Services, LLC**

### **Notes to the financial statements**

*as at and for the year ended 31 March 2022*

(Currency: In US Dollar)

#### **1 Company overview**

Firstsource Health Plans and Healthcare Services, LLC (earlier known as Firstsource Transaction Services LLC) ('the Company') was incorporated under the laws of the State of Delaware on 26 May 2011. The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry. The Company is a wholly owned subsidiary of MedAssist Holding, Inc. who holds all of the voting rights in the Company.

##### **Basis of Preparation and Statement of Compliance**

The special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

These special purpose financial statements have been prepared to assist the Holding Company Firstsource Solutions Limited to comply with the requirements of section 129(3) of the Act.

The financial information based on which these special purpose financial statements are prepared were approved by the Board of Directors of Firstsource Solutions Limited, the Holding Company on 5 May 2022.

#### **2 Significant accounting policies**

##### **2.1 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.1.1.

##### **2.1.1 Critical accounting estimates**

###### **a Property, plant and equipment and Intangible assets**

The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

###### **b Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

##### **2.2 Revenue recognition**

The Company, in its contracts with customers, promises to transfer distinct services rendered either in the form of contact centre and transaction processing services.

Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company has an enforceable right to payment from the customer for the performance completed to date. Revenue from unit price based contracts is measured by multiplying the units of output delivered with the agreed transaction price per unit while in case of time and material based contracts, revenue is the product of the efforts expended and the agreed transaction price per unit. The Company continually reassesses the estimated discounts, rebates, price concessions, refunds, credits, incentives, performance bonuses, etc., (variable consideration) against each performance obligation each reporting period and recognises changes to estimated variable consideration as changes to the transaction price (i.e., revenue) of the applicable performance obligation.

Dividend income is recognised when the right to receive dividend is established.

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**Firstsource Health Plans and Healthcare Services, LLC****Notes to the financial statements**

as at and for the year ended 31 March 2022

(Currency: In US Dollar)

**2 Significant accounting policies (continued)****2.3 Property, plant and equipment and Intangible assets****Property, plant and equipment**

Property, plant and equipment and Intangible are stated at cost less accumulated depreciation / amortisation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the property, plant and equipment. Depreciation on Property, plant and equipment and intangible assets is provided pro-rata to the period of use based on management's best estimate of useful lives of the assets as summarized below:

Asset category	Useful life (in years)
<b>Tangible assets</b>	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Service equipment*	2 – 5
Computers*	2 – 4
Vehicles	2 – 5
Office equipment*	2 – 5
Furniture and fixtures*	2 – 5
* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.	

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

**Other intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Asset category	Useful life (in years)
Software*	2 – 4
* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.	

Software purchased is capitalised together with the related hardware and amortised over the best estimate of useful life from the date the asset is available for use. Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalised and amortised over the estimated useful life of the products as determined by the management. This capitalisation is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product. The amortisation of software development costs is allocated on a systematic basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors.

The amortisation period and the amortisation method are reviewed at the end of each reporting period. If the expected useful life of the product is shorter from previous estimates, the amortisation period is changed accordingly.

**2.4 Impairment****a. Financial assets**

The Company recognises loss allowances using the expected credit loss ('ECL') model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**b. Non-financial assets****Property, plant and equipment and Intangible assets**

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

**Firstsource Health Plans and Healthcare Services, LLC**

**Notes to the financial statements**

as at and for the year ended 31 March 2022

(Currency: In US Dollar)

**2 Significant accounting policies (continued)**

**2.5 Income taxes**

*Current income taxes and deferred income tax*

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognised.

The Income tax liability and Deferred Tax Asset and Liability are computed on a combined basis and a combined tax return is filed for all subsidiaries of Firstsource Solutions Limited operating in the United States of America and the charge, the asset and the liability is accounted on a combined basis by Firstsource Group USA, Inc. (parent company in the United States of America) in its financial statements. Deferred Tax Asset and Liability and Income tax charge accounted in these Special Purpose Financial Statements relate only to the pre-acquisition period and adjustments thereof.

**2.6 Foreign Currency transactions**

**Functional currency**

The functional currency of the Company is the United States Dollar (USD).

**Transactions and translations**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**2.7 Employee benefits**

*Defined contribution plans*

The Companies having a savings and investment plan under section 401 (k) of the internal revenue code of the United States of America. This is a Defined Contribution plan. Contributions made under the plan are charged to the Statement of profit and loss in the period in which they accrue. The Company has no further obligation to the plan beyond its monthly contributions. Other retirement benefits, including social security and medicare are accrued based on the amounts payable as per local regulations.

*Compensated absences*

Provision for compensated absences cost has been made based on eligible vacation balances at balance sheet date.

Employees of the Company are entitled to compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

**2.8 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Company uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-to-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.



**2 Significant accounting policies (continued)**  
**2.9 Provisions and contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

**2.10 Financial instruments**

**2.10.1 Initial recognition**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**2.10.2 Classification and subsequent measurement**

**a) Non-derivative financial instruments**

**i) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**ii) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through other comprehensive income ('FVOCI')**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**iv) Financial assets at fair value through profit and loss ('FVTPL')**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

**v) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments

**vi) Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

**b) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**Firstsource Health Plans and Healthcare Services, LLC**  
**Notes to the financial statements**  
*as at and for the year ended 31 March 2022*  
(Currency: In US Dollar)

**2 Significant accounting policies (continued)**  
**2.10 Financial instruments (continued)**  
**2.10.3 De-recognition of financial instruments**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

**2.10.4 Fair value of financial instruments**

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

**2.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.12 Onerous contracts**

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

**2.13 Recent Accounting Pronouncements:**

On 23 March 2022, the Ministry of Company Affairs amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 effective for annual periods beginning on or after 1 April 2022 which include amendments / clarifications in the following accounting standards applicable to the Company:

- a) Ind AS 16 – Property, Plant and Equipment
- b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- c) Ind AS 109 – Financial Instruments

The effect of application of these amendments / clarifications on the Standalone financial statements of the Company is expected to be insignificant.

**Firstsource Health Plans and Healthcare Services, LLC**  
**Notes to the financial statements (Continued)**  
*as at 31 March 2022*  
(Currency: In US Dollar)

**3 Property, plant and equipment and Intangible assets**

Particulars	Tangible Asset						
	Leasehold improvements	Computers	Service Equipment	Vehicles	Office equipment	Furniture and fixture	Total
<b>Gross block</b>							
As at 1 April 2021	1,378,876	5,217,882	1,334,898	85,584	1,287,883	2,955,145	12,260,266
Additions / adjustments during the year	617,007	392,658	46,048	-	765,183	17,080	1,837,977
Deletions during the year	(1,305,296)	(4,005,282)	(1,199,398)	(85,584)	(780,734)	(2,731,587)	(10,107,880)
As at 31 March 2022	690,587	1,605,258	181,548	-	1,272,332	240,638	3,990,363
<b>Accumulated depreciation / amortization</b>							
As at 1 April 2021	1,348,266	4,324,457	1,221,786	85,584	970,440	2,806,535	10,757,068
Charge for the year	106,095	391,961	72,485	-	192,921	51,082	814,543
On deletions / adjustments during the year	(1,303,805)	(4,003,272)	(1,198,639)	(87,597)	(780,369)	(2,731,463)	(10,105,145)
As at 31 March 2022	150,555	713,146	95,633	(2,013)	382,991	126,154	1,466,466
<b>Net block</b>							
As at 31 March 2022	540,032	892,112	85,916	2,013	889,341	114,484	2,523,897
As at 31 March 2021	30,610	893,425	113,111	-	317,443	148,610	1,503,199

Particulars	Tangible Asset						
	Leasehold improvements	Computers	Service Equipment	Vehicles	Office equipment	Furniture and fixture	Total
<b>Gross block</b>							
As at 1 April 2020	1,380,826	4,373,654	1,294,903	85,584	1,149,375	2,933,079	11,217,421
Additions / adjustments during the year	-	845,198	39,995	-	171,008	34,911	1,091,112
Deletions during the year	(1,950)	(970)	-	-	(32,500)	(12,845)	(48,265)
As at 31 March 2021	1,378,876	5,217,882	1,334,898	85,584	1,287,883	2,955,145	12,260,268
<b>Accumulated depreciation / amortization</b>							
As at 1 April 2020	1,314,766	4,076,748	1,076,159	85,584	854,162	2,747,600	10,155,019
Charge for the year	35,450	248,425	145,628	-	147,311	71,742	648,556
On deletions / adjustments during the year	(1,950)	(716)	-	-	(31,033)	(12,807)	(46,506)
As at 31 March 2021	1,348,266	4,324,457	1,221,787	85,584	970,440	2,806,535	10,757,069
<b>Net block</b>							
As at 31 March 2021	30,610	893,425	113,111	-	317,443	148,610	1,503,199
As at 31 March 2020	66,060	296,906	218,744	-	295,213	185,479	1,062,402

**Firstsource Health Plans and Healthcare Services, LLC**

**Notes to the financial statements (Continued)**

*as at 31 March 2022*

(Currency: In US Dollar)

**4 Property, plant and equipment and Intangible assets**

Particulars	Intangible Assets	
	Softwares	Total
<b>Gross block</b>		
<b>As at 1 April 2021</b>	<b>2,286,265</b>	<b>2,286,265</b>
Additions / adjustments during the year	<b>138,799</b>	<b>138,799</b>
Deletions during the year	<b>(1,656,052)</b>	<b>(1,656,052)</b>
<b>As at 31 March 2022</b>	<b>769,012</b>	<b>769,012</b>
<b>Accumulated depreciation / amortization</b>		
<b>As at 1 April 2021</b>	<b>1,651,043</b>	<b>1,651,043</b>
Charge for the year	<b>470,249</b>	<b>470,249</b>
On deletions / adjustments during the year	<b>(1,656,051)</b>	<b>(11,761,196)</b>
<b>As at 31 March 2022</b>	<b>465,242</b>	<b>(9,639,902)</b>
<b>Net block</b>		
<b>As at 31 March 2022</b>	<b>303,769</b>	<b>303,769</b>
As at 31 March 2021	635,222	635,222

Particulars	Intangible Asset	
	Softwares	Grand Total
<b>Gross block</b>		
<b>As at 1 April 2020</b>	<b>2,352,150</b>	<b>2,352,150</b>
Additions / adjustments during the year	<b>221,368</b>	<b>221,368</b>
Deletions during the year	<b>(287,253)</b>	<b>(287,253)</b>
<b>As at 31 March 2021</b>	<b>2,286,265</b>	<b>2,286,264</b>
<b>Accumulated depreciation / amortization</b>		
<b>As at 1 April 2020</b>	<b>1,474,380</b>	<b>1,474,380</b>
Charge for the year	<b>463,760</b>	<b>463,760</b>
On deletions / adjustments during the year	<b>(287,097)</b>	<b>(287,097)</b>
<b>As at 31 March 2021</b>	<b>1,651,043</b>	<b>1,651,043</b>
<b>Net block</b>		
<b>As at 31 March 2021</b>	<b>635,222</b>	<b>635,222</b>
As at 31 March 2020	<b>877,770</b>	<b>877,770</b>

## Firstsource Health Plans and Healthcare Services, LLC

### Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: In US Dollar)

#### 5 Leases

The details of Right-of-use assets held by the Company are as follows:

Particulars	As at 1 April 2021	Additions during the year	Deletions during the year	Depreciation for the year	Net Carrying Value as at 31 March 2022
Leasehold properties	5,279,106	13,133,639	1,198,376	2,388,308	14,826,062
Service equipment	-	-	-	-	-
	<u>5,279,106</u>	<u>13,133,639</u>	<u>1,198,376</u>	<u>2,388,308</u>	<u>14,826,062</u>

Rent includes expense towards short term lease payments amounting to Nil, expense towards low value leases payment amounting to USD 882,608 and common area maintenance charges for leased properties amounting to USD 623,754 during the year ended 31 March 2022. Further USD 166,400 is netted off as recovery of rent by fellow subsidiaries.

Particulars	As at 1 April 2020	Additions during the year	Deletions during the year	Depreciation for the year	Net Carrying Value as at 31 March 2021
Leasehold properties	3,177,012	4,991,273	1,273,567	1,615,612	5,279,106
Service equipment	79,484	-	-	79,484	-
	<u>3,256,496</u>	<u>4,991,273</u>	<u>1,273,567</u>	<u>1,695,096</u>	<u>5,279,106</u>

Rent includes expense towards short term lease payments amounting to Nil, expense towards low value leases payment amounting to USD 201,019 and common area maintenance charges for leased properties amounting to USD 185,718 during the year ended 31 March 2021. Further USD 276,495 is netted off as recovery of rent by fellow subsidiaries.

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: In US Dollar)

	31 March 2022	31 March 2021
<b>6 Other financial assets</b>		
(i) <b>Other non-current financial assets</b>		
Deposits	270,988	315,176
	<u>270,988</u>	<u>315,176</u>
(ii) <b>Other current financial assets</b>		
Advance to Related parties (refer note 22)	18,286,472	9,616,362
	<u>18,286,472</u>	<u>9,616,362</u>
<b>7 Other assets</b>		
(i) <b>Other non-current assets</b>		
Prepaid expenses	870,366	818,929
	<u>870,366</u>	<u>818,929</u>
(ii) <b>Other current assets</b>		
Prepaid expenses	2,079,302	1,354,925
Capital Advance	150,130	33,462
Other advances	30,893	-
Deferred contract cost	1,053,797	-
	<u>3,314,122</u>	<u>1,388,387</u>
<b>8 Trade receivables</b>		
<b>Billed</b>		
Considered doubtful	124,596	-
Less: Impairment allowance	124,596	-
	<u>-</u>	<u>-</u>
Considered good	15,019,357	11,279,613
	<u>15,019,357</u>	<u>11,279,613</u>
<b>Unbilled</b>		
Unbilled revenues	4,228,480	1,776,898
	<u>4,228,480</u>	<u>1,776,898</u>

a) Trade receivables are non-interest bearing and there are no trade receivables with a significant increase in credit risk as well as disputed trade receivables.

b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly.

c) For receivables from related party refer note 22.

### Trade receivables Ageing Schedule

As at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	6,020,179	8,999,178	-	-	-	-	15,019,357
Undisputed Trade receivable – considered doubtful	-	-	124,596	-	-	-	124,596
<b>Total</b>	<b>6,020,179</b>	<b>8,999,178</b>	<b>124,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,143,953</b>

As at 31 March 2021

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	6,019,301	5,260,312	-	-	-	-	11,279,613
Undisputed Trade receivable – considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>6,019,301</b>	<b>5,260,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,279,613</b>

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: In US Dollar)

31 March 2022      31 March 2021

### 9 Cash and cash equivalents

Balances with banks  
-in current accounts

83,465	3,861
<u>83,465</u>	<u>3,861</u>

### 10 Share capital

31 March 2021      31 March 2020

Issued, subscribed and paid-up

-	-
<u>-</u>	<u>-</u>

Management confirms to a frame work of capital through agreement without any contributions thereby providing 100% ownership and voting right and right to 100% of profit/losses. Hence, the financials do not disclose any Earnings per share

### 11 Retained earnings

31 March 2022      31 March 2021

At the commencement of the year  
Add: Profit for the year  
At the end of the year

3,699,021	1,066,708
<u>3,992,301</u>	<u>2,632,313</u>
<u>7,691,322</u>	<u>3,699,021</u>

Total other equity

7,691,322      3,699,021

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: In US Dollar)

31 March 2022

31 March 2021

### 12 Trade Payables

Trade Payables

4,779,806

1,534,418

4,779,806

1,534,418

#### Trade payables Ageing Schedule

As at 31 March 2022

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables	1,918,536	2,861,270	-	-	-	4,779,806
<b>Total</b>	<b>1,918,536</b>	<b>2,861,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,779,806</b>

As at 31 March 2021

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables	1,218,493	315,925	-	-	-	1,534,418
<b>Total</b>	<b>1,218,493</b>	<b>315,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,534,418</b>

### 13 Other financial liabilities

#### Other current financial liabilities

Book credit in bank account

187,368

15,734

Creditors for capital goods

15,779

28,177

Employee benefits payable

1,912,484

1,190,708

Payable to related parties (refer note 22)

24,356,562

19,428,532

26,472,192

20,663,151

### 14 Provision for employee benefits

#### Current

Compensated absences

765,125

918,711

765,125

918,711

### 15 Other liabilities

#### Other current liabilities

Statutory Dues

515,785

147,224

Unearned Income

3,406,451

-

Others

11,577

196,992

3,933,813

344,216



# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: In US Dollar)

	Year ended	
	31 March 2022	31 March 2021
<b>16 Revenue from operations</b>		
Sale of services	112,557,900	77,458,889
	<u>112,557,900</u>	<u>77,458,889</u>
The Company provides contact centre and transaction processing services for customers in the healthcare industry and operates in the US geography only.		
Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenues). Changes in contract assets are directly attributable to revenue recognised based on the accounting policy defined and invoicing done during the year. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosed as the revenue recognised corresponds directly with the value to the customer of the Company's performance completed to date.		
<b>17 Other income</b>		
Net Foreign Exchange loss / (gain)	(6,042)	813
Loss on sale of Fixed Assets	(362)	(1,916)
	<u>(6,404)</u>	<u>(1,103)</u>
<b>18 Employee benefits expense</b>		
Salaries and wages	68,543,918	47,650,224
Contribution to social security and other benefits	435,039	265,964
Staff welfare expenses	4,776,237	3,851,104
	<u>73,755,193</u>	<u>51,767,292</u>
<b>19 Finance cost</b>		
Interest expense		
- on working capital demand loan and others	41,316	44,587
Interest expense on leased liabilities	557,222	212,711
	<u>598,538</u>	<u>257,298</u>

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: In US Dollar)

	Year ended	
	31 March 2022	31 March 2021
<b>20 Other expenses</b>		
Rent (net of recoveries)	1,672,762	663,232
Car and other hire charges	252,133	185,920
Connectivity, Information and Communication Expenses	2,831,582	2,113,304
Legal and professional fees	980,053	785,363
Repairs, maintenance and upkeep	513,581	445,621
Computer expenses	2,526,005	1,084,055
Travel and conveyance	376,988	22,529
Recruitment and training expenses	776,062	542,147
Insurance	271,282	196,392
Electricity, water and power consumption	164,557	156,747
Allowance for expected credit loss debts / bad written off, net	124,596	-
Bank administration charges	14,925	20,923
Allocated corporate costs	1,043,024	802,874
Miscellaneous expenses	717,480	61,496
	<b>12,265,030</b>	<b>7,080,603</b>

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financials statements (Continued)

as at and for the year ended 31 March 2022

(Currency: In US Dollar)

### 21 Financial instruments

#### I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Trade receivables	19,247,838	-	-	19,247,838	19,247,838
Other financial assets	18,557,460	-	-	18,557,460	18,557,460
Cash and Cash Equivalents	83,465	-	-	83,465	83,465
<b>Total</b>	<b>37,888,764</b>	<b>-</b>	<b>-</b>	<b>37,888,764</b>	<b>37,888,764</b>
<b>Financial liabilities</b>					
Trade payables	4,779,806	-	-	4,779,806	4,779,806
Other financial liabilities	26,472,192	-	-	26,472,192	26,472,192
Lease Liabilities	16,084,721	-	-	16,084,721	16,084,721
<b>Total</b>	<b>47,336,719</b>	<b>-</b>	<b>-</b>	<b>47,336,719</b>	<b>47,336,719</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Trade receivables	13,056,511	-	-	13,056,511	13,056,511
Other financial assets	9,931,537	-	-	9,931,537	9,931,537
Cash and Cash Equivalents	3,861	-	-	3,861	3,861
<b>Total</b>	<b>22,991,910</b>	<b>-</b>	<b>-</b>	<b>22,991,910</b>	<b>22,991,910</b>
<b>Financial liabilities</b>					
Trade payables	1,534,418	-	-	1,534,418	1,534,418
Other financial liability	20,663,151	-	-	20,663,151	20,663,151
Lease Liabilities	5,457,236	-	-	5,457,236	5,457,236
<b>Total</b>	<b>27,654,805</b>	<b>-</b>	<b>-</b>	<b>27,654,805</b>	<b>27,654,805</b>

Fair value hierarchy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2022 and 31 March 2021.

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financials statements (Continued)

as at and for the year ended 31 March 2022

(Currency: In US Dollar)

### 21 Financial instruments (Continued)

#### II. Financial risk management:

##### a) Market risk

The Company operates in the US and there are no major transactions outside the US. So there is no market risk for the Company.

##### b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 15,019,357 as at 31 March 2022 (31 March 2021 : USD 11,279,613) and unbilled revenue amounting to USD 4,228,480 as at 31 March 2022 ( 31 March 2021 : USD 1,776,898). Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States and other locations. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Expected credit losses are accounted on financial assets based on the measurement criteria as defined in the policy. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment.

##### c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The following are contractual maturities of Lease liabilities on an undiscounted basis as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Less than one year	2,806,678	1,284,004
One to five years	11,891,311	4,513,680
More than five years	3,309,887	156,189
<b>Total</b>	<b>18,007,876</b>	<b>5,953,873</b>

Future cash outflows in respect of certain leasehold properties to which the Company is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Company as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at 31 March 2022. The Company shall revise the lease term when there is a change in the facts and circumstances.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022 and 31 March 2021:

	31 March 2022		31 March 2021	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	4,779,806	-	1,534,418	-
Lease liabilities	2,310,464	13,774,257	1,111,367	4,345,869
Other Financial Liabilities	26,472,192	-	20,663,151	-

# Firstsource Health Plans and Healthcare Services, LLC

## Notes to the financial statements (Continued)

as at and for the year ended 31 March 2022

### 22 Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2022 are summarized below:

Ultimate Holding Company	RPSG Ventures Limited
Holding Company	Firstsource Solutions Limited Firstsource Group USA, Inc Firstsource Solutions USA LLC MedAssist Holding LLC
Fellow Subsidiaries (where transactions exist)	Firstsource Solutions UK Limited Sourcepoint Fulfillment Services, Inc. Sourcepoint Inc. One Advantage LLC Firstsource Advantage LLC Firstsource Solutions México, S. de R.L. de C.V (A subsidiary of FG US, incorporated in the Mexico on 13 December 2021)
Directors	Venkatgiri Vandali Arjun Mitra

#### Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended Amount in USD*		Receivable / (Payable) as at Amount in USD	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Firstsource Solutions Limited	Services Rendered by business associates and others	17,982,490	12,626,056	-	-
	Recovery of expenses	35,505	59,754	-	-
	Reimbursement of expenses	1,193,913	794,868	-	-
	Payable	-	-	(5,197,965)	(3,259,992)
Firstsource Group USA Inc	Reimbursement of expenses	8,119,235	4,738,251	-	-
	Recovery of expenses	481,818	3,321,777	-	-
	Receivable	-	-	18,231,051	8,616,267
Medassist Holding LLC	Reimbursement of expenses	3,388,154	4,766,506	-	-
	Recovery of expenses	388,889	834,636	-	-
	Payable	-	-	(19,115,967)	(16,116,702)
Firstsource Advantage LLC	Reimbursement of expenses	60,507	93,399	-	-
	Recovery of expenses	117,070	251,185	-	-
	(Payable) / Receivable	-	-	(688)	916,229
Firstsource Solutions UK Limited	Reimbursement of expenses	-	817	-	-
	Payable	-	-	-	(1,139)
Sourcepoint Inc.	Reimbursement of expense	323,145	51,996	-	-
	Recovery of expense	266,652	106,095	-	-
	Receivable	-	-	(41,942)	63,554
Sourcepoint Fulfilment Services Inc.	Reimbursement of expenses	-	-	-	-
	Recovery of expense	-	-	-	-
	Payable	-	-	-	(50,699)
Firstsource Solutions México, S. de R.L. de C.V	Recovery of expenses	55,421	-	-	-
	Payable	-	-	55,421	-
One Advantage LLC	Reimbursement of expenses	-	15,595	-	-
	Recovery of expense	4,612	16,614	-	-
	Receivable	-	-	-	20,313

\*Transfer of funds between the Companies is not considered for related party disclosure of transactions during the year

## Firstsource Health Plans and Healthcare Services, LLC

### Notes to the financial statements (Continued)

as at and for the year ended 31 March 2022

(Currency: In US Dollar)

#### 23 Segment reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of Firstsource Solutions Limited ('the Holding Company').

#### 24 Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 2,706,580 as at 31 March 2022 (31 March 2021: USD 33,462) and there are no contingent liabilities as at 31 March 2022 (31 March 2021: USD Nil).

#### 25 Subsequent events

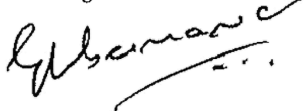
The Company evaluated subsequent events from the balance sheet date through 30 June 2022 and determined there are no material items to report.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018



G.K. Subramaniam

Partner

Membership No: 109839

Mumbai

30 June 2022

For and on behalf of the Board of Directors



Arjun Mitra  
Director



Venkatgiri Vandali  
Director